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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/903,284	07/11/2001	Ellen Barbara	CITI0230	9290
27510	7590	10/20/2005	EXAMINER	
KILPATRICK STOCKTON LLP 607 14TH STREET, N.W. WASHINGTON, DC 20005			OYEBISI, OJO O	
			ART UNIT	PAPER NUMBER
			3628	
DATE MAILED: 10/20/2005				

Please find below and/or attached an Office communication concerning this application or proceeding.

**Office Action Summary**

Application No.

09/903,284

Applicant(s)

BARBARA ET AL.

Examiner

OJO O. OYEBISI

Art Unit

3628

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 29 October 2004.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-11, 17-44 and 50-72 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-11, 17-44 and 50-72 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892)   | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

EA

### DETAILED ACTION

This office action is responsive to applicant's amendment and request for reconsideration of this application filed July 11, 2001. Accordingly, claims 1-11, 17-44, and 50-72 are presented for examination on their merits. The amendment filed October 29, 2004 to amended claims 1, 34, 71 and 72 have been fully considered, but claims 1-11, 17-44, and 50-72 stand rejected in this office action.

#### ***Claim Rejections - 35 USC § 103***

1. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.
  2. Claims 1-11, 17-44, and 50-72 are rejected under 35 U.S.C. 103(a) as being unpatentable over Schutzer (US 6,292,789 B1) in view of Sun Trust.com, February 8, 1999, Internet, (hereinafter Sun) and Nelson, Quicken '99 for Windows for Dummies, 1998 (hereinafter Nelson) and Schrader et al (US 5,903,881) (hereinafter Schrader) and X.com, March 2, 2000 and Paypal.com, March 3, 2000.
  3. Applicant has generally claimed a prior known on-line payment system using what was by then a standard or optionally available combination of accounts and features.
- Schutzer** discloses (see at least columns 1-30, but in particular cols.

1 1-13) either explicitly or as being obvious all of the elements of claims 1-72 regarding on-line bill payments and purchases, international payments, transaction accounts (bank checking accounts used for a payment service), multiple service levels, off-line payments and purchases, cash withdrawals, credit card account payments, receiving enrollment information and account designation, maintaining funds in accounts, providing the transaction account for the user with at least one of the plurality of service levels further comprises providing the transaction account for the user with a first level service that includes a person-to-person payment service enabling the user to receive and send funds from the user's transaction account (checking account), a save for later feature (i.e., total account balance feature in checking account) enabling the user to accumulate a balance of funds in the user's transaction account for later use, and a held money feature for retaining funds (i.e., available account balance in checking account, commonly automatically calculated as part of the account balance until the check is cleared for payment) in the user's transaction account which the user has designated to be sent to a recipient but which has not yet been picked up by the recipient (account balance based on checks actually cashed), providing the transaction account for the user with a second level of service that includes all features of the first level of service plus an access card (debit card) enabling the user to access funds in the user's transaction account for off-line transactions, and providing the transaction

account for the user with a third level of service that includes all features of the first and second levels of service plus a credit line enabling the user to access both line of credit funds (credit card or overdraft protection) and accumulated balance funds in the transaction account (uncashed checks). Many of the above elements are inherent in the operation of an account that is the source account for a customer's payment service. Schutzer does not disclose the complete details of enrollment, banking, international payments, and a transaction (debit) card. Sun discloses through obviousness (see pages 1-2) all of the elements of claims 1-11, 17-44, and 50-72 regarding on-line banking, personal banking, several levels of banking service including debit accounts and money market accounts (deposit account), savings accounts and checking accounts (transaction accounts) and account numbers, credit card accounts and credit lines (credit line), access and transaction cards (ATM cards used at an ATM), bill payment services, fund transfers and ABA numbers, international payments, and conducting and viewing banking activities over the internet. It is noted that the historical documentation for Sun includes a very broad list of financial services, including payment services, then offered online and displayed via the internet. **Nelson** discloses (see pages 26-27, 96-111, 130-136, and 259) all of the elements of claims 1-11, 17-44, and 50-72 regarding on-line bill payments, separate accounting for cleared and uncleared checks (held money features), additional accounts including petty cash, savings, and liability, the inherency of fund transfers including ABA numbers, account numbers, and a person to person

payment service (user sending and receiving funds out and into their transaction account).

**Schrader** discloses (see at least cols 1-22, but in particular cols 1-7) claims 23-24, 32, 56-57, and 66 regarding save for later and held money portions of the transaction account, as it is obvious in his uncleared checking account balance for it to become not only the held money portion of the transaction account but also the save for later portion, by writing a check not intended to be cashed (for the purpose of savings), all within the checking (transaction) account.

**X.com** discloses (see pages 1-10) claims 1-11, 17-44, and 50-72 regarding the use of transaction cards through enrollment in the system (to make off-line purchases), the ability to transfer money between bank accounts, and the use of a checking account to fund the X.com transaction account. It also discloses the then pending merger with Paypal which then created the world's largest secure network for instant online payments from anyone anywhere, business or individuals, and the fact that several companies were then providing customer convenient online money transfer systems. **Claim 1 simply describes a standard checking account coupled to an online payment system, using the checking account as a funds source.**

**Paypal** discloses (see pages 1-5) an enrollment in and operation of a real time online payment system using credit card accounts, bank accounts (including checking) and checks to fund their transaction account, and the option to use a check as payment instead of the normal electronic transfer of funds.

4. **Claims 1-11, 17-44, and 50-72** are rejected under 103(a) as obvious over Schutzer in view of Sun and Nelson and Schrader and X.com and Paypal.com. Because it would have been common and advantageous and provided a much more comprehensive and efficient system of conducting on-line payment and banking services with integrated accounts and services it would have been obvious to one skilled in the art at the time of the invention to add the teaching of Sun, Nelson and Schrader and X.com and Paypal.com to those of Schutzer, and to add those of Schutzer to those of the others for the same reason. Obvious and well known in all of the above is the fact that Sun was then one of the top ten banks in the country and obviously had to offer competitive off-line and on-line, and in combination, checking and saving accounts and credit/debit cards and other than standard banking services such as overdraft protection, including bill payment services and ATM cards for use in ATMS (access and transaction cards), which had been aggressively offered by banks and could be selected as desired by the customer and used for virtually whatever use and intended payment/deposit the user cares to make, and to whomever they choose, either on-line or off-line, in whatever amount their balance or credit limit will allow, either to pay credit card balances or to use the credit line to make payments or deposits, whether it be in US or foreign currency, and once created there is no prohibition (unless contrary to an express agreement between the bank/service and the customer) against maintaining however much money in their accounts they choose. It is also obvious in opening an on-line banking accounts), including

with an institution that offers bill payment services or any other organization operating a payment service, that all of the "know your customer" rules apply to the information required to open the account and to enroll in the payment service, and that all needed transaction identification usernames and passwords will be agreed to at the time of account opening/payment system enrollment and conveyed to both, such that transaction validation may be accomplished and information regarding dispute resolution is exchanged. In such an enrollment process it would have also been obvious to receive the instructions and transmit the answers, and to have included the selection of a level of service, the source accounts) for the funds transfers, the users ID references (and email address) and to do so online through a customer's personal computer terminal using standard graphic interfaces and all other standard computer operating procedures, apparatus, software, and the internet. It is also obvious and well known that all payments out of the customer accounts will only be done upon either current or prior instructions from the customer, that fund transfers will commonly require a back end validation to confirm that the user is the owner of the payment source account, that credit lines such as loans or overdraft features can be arranged upon request to flow into the checking account (transaction account), and that any credit card transactions will commonly involve providing information regarding the card number, the expiration date, some type of identification identifier, and an a payment authorization from the card issuer. It would have been obvious to one skilled in the art at the time of the invention to



have used an on-line banking checking account as the transaction and hub account for an on-line payment service, and to have used any one of the following as a save for later feature: 1) a check to cash recorded in the standard checking account, or 2) an unissued check notation in the transaction checkbook regarding a set-aside for a save for later amount that would not be cashed but would become a held money amount. It would have been equally obvious to use a checking account number as a method of making payment for a purchase, to use a debit card to make charges to a checking (transaction) account for purchases, payments, and fund transfers, for the user to provide instructions to the financial institution regarding any fund transfers involving either the transaction account or the credit line, and for there to be an identification/validation process upon request for any transaction involving those two sources of funds, as the above were all common practices at the time of the invention. It would have been obvious to one skilled in the art at the time of the invention to offer to pay a payee not enrolled in the payment system with a check as a customer convenience to the subscribers in the payment system. It is noted that payments made from a transaction account backed by a credit account/overdraft line of credit would obviously have its transactions recorded as payments rather than cash advances. It is also very obvious when sending a payment that the user designate the account/email address of the payee as a necessary step, and it is equally obvious that the payment system will transfer the funds as directed. **It would have been equally obvious to one skilled in**

**the art at the time of the invention to combine any or all of these above described features in any conceivable combination that suited the needs of their customers.** It would have been obvious to one skilled in the art at the time of the invention, as the Schutzer payment system utilizes the internet which is an international network for international financial transactions, for any internet online payment system to include various online options for methods of payment common for international transactions and include screen prompts for those options including the selection of currency and display of exchange rate and any special related fees because it was common and advantageous to do so.

#### **Response to Applicant's Arguments**

5. Applicant's arguments filed October 29, 2004 have been fully considered but they are not persuasive.
  - First, the applicant's invention is directed to methods and systems for making on-line payments, and the independent claims 1 and 34 disclose the method steps entailed in making on-line payments. In the same independent claims 1 and 34, the applicant discloses a transaction account with different service levels/features. In response to the applicant's argument that Schutzer neither teaches nor suggests providing a transaction account with a number of features and different levels of service, and that the Examiner appears to take the position that Schutzer discloses bank checking accounts used for a payment service. First of all, Schutzer discloses an electronic/on-line bill payment system (see the abstract of the invention), and once again, the account mentioned by Schutzer is

a standard checking account, equivalent by all standards to the transaction account disclosed by the applicant. The office asserts that the transaction account disclosed in independent claims 1 and 34 is nothing but a standard checking account coupled to an online payment system and multiple common banking services in combination. For example, banks offer checking accounts services, comprising: credit/debit cards; overdraft protection; bill payment services and ATM cards for use in ATMS (access and transaction cards), which could be selected as desired by the customer and used for virtually whatever use and intended payment/deposit the user cares to make, and to whomever they choose, either on-line or off-line, in whatever amount their balance or credit limit will allow, either to pay credit card balances or to use the credit line to make payments or deposits, whether it be in U.S or foreign country, and once created there is no prohibition (unless contrary to an express agreement between the bank/service and the customer) against maintaining however much money in their accounts they choose. Thus, the transaction account mentioned by Schutzer which is also a standard checking account can be used to make person to person online payment, take deposit, and can also provide a roll over mechanism in form of credit line/overdraft, allowing funds to be drawn from the user's checking account even if there is an insufficient balance to settle a transaction. It also noted that payments made or funds drawn from a standard checking account backed by an overdraft line of credit would obviously have its transaction recorded as payments rather than cash advance.

- Second, in response to the applicant's argument that while a checking account can be a source account in some embodiment of the present invention, but the examiner cannot rely on the same account as teaching both a source account and a transaction account. The office asserts, again, that the standard checking account is a transaction account, and a checking account can certainly be both a source of funds and deposit of funds (i.e., source accounts and deposits accounts). Take for example, a customer with two checking accounts with two different banks A and B. If the customer transfer funds from the checking account in bank A to the Checking account in bank B, in this context, the checking account in bank A is the source account and the checking account in bank B is the deposit account. However, if the aforementioned transaction is conducted vice versa, then the source of funds and the destination of funds would be reversed, reversing the role played by each bank account. Thus, from this simple example, it can be easily deduced that a standard checking account is a transaction account, capable of being used as a source and destination of funds.
- Third, in response to the applicant argument that there is no teaching of international payments via an international payment service in a foreign currency with funds in the transaction account as recited in claim 72, in the references. Contrary to the applicant's assertion, Schutzer payment system utilizes the internet (see fig 32, which is an international network for international financial transactions), for any internet online payment system to include various online options for methods of payment common to international transactions and

include screen prompts for those options including the selection of currency and display of exchange rate and any special related fees because it was common and advantageous to do so.

- Fourth, in response to the applicant's argument that there is no teaching whatsoever of providing a transaction account within which the consumer is allowed to have funds reside in either a save for later portion or a held money portion recited in claims 71 and 72, in the references. Contrary to the applicant's assertion, the office asserts that a save for later portion is equivalent to a **total account balance** sitting in the customer's checking account until drawn, and a held money portion is equivalent to a **total available balance** in the standard checking account.
- All in all, the applicant's argument that the combination of Schutzer, Sun, Nelson, Schrader, X.com, and Paypal.com, fail to teach the limitations of independent claims 1, 34, 71, and 72, is baseless. The office asserts that Schutzer, Sun, Nelson, Schrader, X.com, and Paypal.com taken together, as already pointed out in the office action supra, completely teach/suggest all the limitations set forth by the applicant in claims 1, 34, 71, and 72 and beyond. Thus, It would have been equally obvious to one skilled in the art at the time of the invention to combine any of these above described features in any conceivable combination that suited the needs of their customers. Lastly, all the obviousness statements recited by the examiner in the office action supra are clear, concise, and self-explanatory enough to one of ordinary skill in the art.

***Conclusion***

**THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).


A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to OJO O. OYEBISI whose telephone number is (571) 272-8298. The examiner can normally be reached on 8:30A.M-5:30P.M.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, HYUNG S. SOUGH can be reached on (571)272-6799. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

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